



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

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Governor

GARY R. HERBERT
Lieutenant Governor

November 9, 2005

Jim Runquist
Temple Mountain Energy, Inc.
4526 Ridgeview Drive
Eagan, Michigan 55123

Subject: Deficient Permit Transfer Application; Asphalt Ridge, Inc. transferring to TME Asphalt Ridge, LLC; Cameron #1 Mine, S/047/036, Uintah County, Utah

Dear Mr. Runquist:

The Division of Oil, Gas and Mining has reviewed the application where you propose to transfer the Cameron #1 Mine from Asphalt Ridge, Inc., to TME Asphalt Ridge, LLC. Before the Division can approve the transfer, the following items will need to be resolved:

1. The transferee (new operator) is listed as "TME Asphalt Ridge, LLC." This entity is not listed with the Division of Corporations as registered to do business in the State of Utah. However, Temple Mountain Energy, Inc., is registered. Corporations, limited liability companies, and other similar entities need to be registered with the Division of Corporations to do business in Utah.
2. The surety amount needs to be either \$14,300 or \$22,100 depending on whether you bond for three acres or five.

You may submit a surety for: just the area now in use (three acres—\$14,300 surety), or the three acres used now plus two acres you intend to disturb after one growing season (\$22,100). If you pursue the latter option, Attachment A needs to contain verbiage explaining that, until the reclaimed area has gone through a growing season, you will only use the existing three-acre mine area. The first option will require surety posted prior to disturbance of the additional acreage.

3. The map associated with the reclamation contract needs to show the entire current five-acre disturbed area, including the two-acre area

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recently reclaimed. Once this newly-reclaimed area has gone through a growing season, you will be allowed to expand into a new two-acre area. The Division will not require a reclamation surety on the area you recently reclaimed.

4. The approval date to use in the contract is December 7, 1988.
5. Until you can operate in the full five-acre area proposed, the legal description needs to only include the area currently disturbed. Rather than including a precise metes and bounds description, we suggest the legal description should say you will be operating in "portions of" the southwest quarter of Section 31, Township 5 South, Range 22 East, SLBM. The map you submit in response to item three above should show the precise location of the operations, and Attachment A of the reclamation contract refers to this map.

If you intend to process material on site, you will need to submit an amendment to the existing Notice of Intention to Commence Small Mining Operations. This amendment should give as much detail as possible about the type of processing and what equipment will be used. We will forward a copy of this amendment to the Division of Water Quality for their review.

We look forward to working with you to complete this transfer but realize some of these processes may be confusing. Please contact Beth Ericksen at 801-538-5318 with questions about the reclamation surety or Paul Baker at 801-538-5261 if you have questions about the maps, legal descriptions, or the surety amount. Thank you for your cooperation.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program